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SECURITY INFORMATION

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GENERAL

1. India seeks election to UN Security Council:

[REDACTED] The Indian government on 30 June presented an aide-memoire to the American ambassador in New Delhi, suggesting that the United States support India's re-election to the Commonwealth seat in the UN Security Council after an interval of only one two-year term. The aide-memoire noted that the peoples of Asia would otherwise be represented only by Lebanon and Nationalist China after the next election in September.

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The American ambassador supports the Indian view and raises the question of a permanent council seat for India.

Comment: New Zealand has announced its candidacy to succeed Pakistan, which replaced India in January 1952 according to the informally agreed system of rotation of seats.

The six nonpermanent council seats are now informally assigned: one to the Commonwealth, one to the Near East, two to Latin America, and one each to eastern and western Europe. Permitting India to disrupt the operation of this system would provide precedent for the largest nations in each of these areas to seek semi-permanent representation, thereby tending to reduce the role played by small powers.

An attempt to adjust or increase the permanent council membership would require revision of the UN charter and would promote acrimonious dispute and rivalry among both large and small nations.

FAR EAST

2. New South Korean defense minister seen as moderating influence:

[REDACTED] Ambassador Briggs reports that Admiral Sohn Won-il, appointed defense minister by Rhee on 1 July, is not likely to order

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his forces into suicidal actions. While Sohn is loyal to Rhee, he has criticized some of his actions in the past and believes that the president has been badly advised.

Briggs comments that if Sohn is able to hold the position and retain "independence of movement," his appointment should be "constructive" from the American viewpoint.

Comment: While Sohn may exercise a moderating influence on Rhee, he would probably obey Rhee's orders rather than those of the UN Command in a crisis.

By appointing Sohn and establishing a "national defense committee" to coordinate high-level political and military policies, Rhee may be seeking to ensure full cooperation from the military for whatever action he tries to undertake. Sohn is more likely to be supported by the professional military officers than his weak and incompetent predecessor.

3. Foreign shipping in Chinese ports continues at high level:

 During May, 60 foreign-registry vessels totaling nearly 300,000 gross tons entered Chinese Communist ports. Of these, half-- totaling about 100,000 tons--came from contiguous areas, while of the remaining 30, 21 were of non-Communist European registry, eight were Polish and Russian, and one was Indian.

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Direct trade with Japan rose with the arrival of four Japanese vessels which loaded full cargoes of coal at Chinwangtao. Six more Japanese vessels are scheduled to load coal at the same port for delivery to Japan and Pakistan.

Comment: The level of foreign shipping in Chinese ports has been about 50 percent higher in 1953 than in 1952 and reflects a sharp rise in direct trade with both Western and Communist Europe.

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SOUTHEAST ASIA

4. Formosa takes steps to remove Nationalists from Burma:

Chiang Kai-shek on 3 July personally instructed General Li Mi to order his field commanders, who are now in Bangkok, to cooperate in the withdrawal of

Chinese Nationalist troops from Burma. He proposed sending Li Mi's deputy to Bangkok to work with the mixed committee, according to Ambassador Rankin in Taipei.

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On the same day, the Nationalist foreign minister made a concrete commitment to Rankin that ships will be provided for moving troops from Bangkok to Formosa.

Comment: The recent irresponsible public statements of the field commanders in Bangkok have jeopardized the work of the mixed committee. The reported measures constitute the strongest indication yet that top Nationalist leaders sincerely intend to assist in the evacuation of at least some of the troops in Burma.

5. Cambodian king still demands full independence:

General Navarre, French commander in Indochina, told Ambassador Heath on 1 July that the Cambodian king had indirectly intimated a willingness to come to terms. The

French diplomatic counselor in Saigon, however, later told Heath that the king had addressed a letter to the high commissioner in Cambodia agreeing to pledge Cambodian adherence to the French Union, but only after complete independence.

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Meanwhile, the French commander in Cambodia urged Paris to declare immediate independence for that country.

Comment: The king apparently is sincerely interested in a reconciliation with France. At the same time, however, it will be almost impossible for him to retreat from his demands for independence.



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NEAR EAST - AFRICA

6. Jordan doubts value of high-level military talks with Israel:

Jordan believes its high-level military talks with Israel, which opened on 29 June in Jerusalem, will be of little value, according to Ambassador Green in Amman.

He notes that Arab Legion spokesmen stated that the first meeting was only a series of accusations and counteraccusations.

From the Jordanian viewpoint, Green adds, the Israelis were merely using the top-level talks, as well as the renewal of meetings by local commanders, to make Jordan appear responsible for the border troubles of the past six months.

Comment: Although the talks have evoked some optimism, little progress has developed so far despite the meeting of Israeli and Jordanian army officers under the auspices of General Bennike, who replaced General Riley as chief of staff of the new UN Truce Supervision Organization.

The American embassy in Tel Aviv believes the publicity given the discussions by Israel was "most unfortunate."

WESTERN EUROPE

7. Molotov rebuffs Austria on state treaty:

Foreign Minister Molotov, in replying to a query of the Indian ambassador in Moscow regarding an Austrian treaty, stated that an Austrian neutrality declaration would be "useful, but not enough." He refused to comment on what further actions could be taken by Austria to facilitate a treaty.

The Austrian ambassador in Moscow, who reported the above conversation, asked Molotov for further Soviet concessions, particularly the return of the factories held as German assets. Molotov avoided any substantive answer to this request, only commenting that it contradicted the July 1952 Austrian memorandum to the United Nations.



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Comment: In the 1952 memorandum, the Austrian government appealed for a treaty, preferably on the basis of the short draft favored by the Western powers.

The Indian conference with Molotov resulted from the request of Austrian foreign minister Gruber, who recently talked to Nehru. This report refutes recent rumors of Soviet willingness to conclude a state treaty with Austria.

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9. New French government threatens withdrawal from Indochina:



Following a conversation with Premier Laniel and his deputy Paul Reynaud, Ambassador Dillon in Paris warns that if a substantial increase in American assistance is not forthcoming immediately, the French government may feel obliged to negotiate with Ho Chi Minh looking to withdrawal from Indochina.

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Reynaud estimates that, including the Communists, two thirds of the National Assembly deputies are willing to accept immediate withdrawal.

Comment: It is unlikely that the Viet Minh would be willing to enter negotiations even if the French government would make such an attempt.

The decline in direct American aid to France is making it increasingly important for the French government to maintain its stake in Indochina in order not to shut off its principal remaining source of US dollars. Like previous French governments, the Laniel cabinet is apparently using the crisis in Indochina as a lever to seek additional American aid.

Reynaud's opinion of the assembly's attitude toward immediate withdrawal is apparently based on the Mendes-France investiture vote which, however, cannot be considered as indicating such sentiment.

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